

Message Text

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ACTION OPIC-12

INFO OCT-01 NEA-14 ISO-00 SP-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 COME-00

FRB-02 L-03 CIAE-00 INR-10 NSAE-00 XMB-07 DRC-01 /125 W

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R 271413Z JUN 74

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 7449

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E.O. 11652: N/A

TAGS: AID, EIND, EG

SUBJECT: FAHMY LETTER RE INVESTMENT GUARANTEE PROGRAMS

REF: CAIRO 4378

1. HAVE TODAY RECEIVED LETTER, DATED JUNE 26, FROM
FAHMY ADDRESSED TO ME INDICATING GOE DESIRE TO
REACTIVATE NOW DORMANT OPIC INVESTMENT INSURANCE
AND GUARANTEE PROGRAM. TEXT FOLLOWS:

QUOTE: MINISTRY OF FOREIGN AFFAIRS, THE
MINISTER, 26 JUNE 1974, NO 2331: YOUR EXCELLENCY:

I HAVE THE HONOR TO INFORM YOU, THAT THE
EGYPTIAN GOVERNMENT, PURSUING THE POLICY OF
ACCELERATING THE RATE OF ECONOMIC GROWTH AND SOCIAL
PROGRESS, IS IN THE COURSE OF ENACTING NEW REGULATIONS
WITH THE VIEW TO ENCOURAGE AND FACILITATE THE
PARTICIPATION OF FOREIGN CAPITAL AND TECHNOLOGY
IN ITS DEVELOPMENT.

IN THE REALIZATION (SIX) OF THE ABOVE
MENTIONED AIMS, WE ARE INVITING THE MAXIMUM
PARTICIPATION OF FOREIGN AND DOMESTIC PRIVATE
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CAPITAL IN A LARGE NUMBER OF SECTORS AS INVIESTMENT

OPPORTUNITIES ARE ABUNDANT.

INVESTMENTS SHALL BE PROTECTED BY LAW FROM NATIONALISATION (SIX) AND ALL OTHER FORMS OF NON-COMMERCIAL RISKS. INVESTMENTS WILL ALSO BE ACCORDED VARIOUS INCENTIVES, INTER ALIA: TAX EXEMPTIONS, REPATRIATION OF PROFITS, ETC....

THE PARTICIPATION OF US INVESTORS, THROUGH THEIR CAPITAL, TECHNICAL KNOW-HOW AND MANAGEMENT SKILLS, IS CONSIDERED AS A HIGHLY IMPORTANT FACTOR FOR THE SUCCESS OF OUR EFFORTS.

IT HAS BEEN NOTED WITH GREAT SATISFACTION THE DEEP INTEREST SHOWN ON THE PART OF AMERICAN CORPORATIONS, BANKS AND INDIVIDUAL INVESTORS IN STUDYING THE VARIOUS POSSIBILITIES OF INVESTMENT. SOME HAVE EVEN STARTED ACTIVE NEGOTIATIONS ON JOINT VENTURES, AND OTHERS HAVE REQUESTED PARTICIPATION IN THE FUTURE ECONOMIC ACTIVITIES IN THE FREE ZONES WHICH ARE ABOUT TO BE ESTABLISHED.

WE ARE LOOKING FORWARD TO REACH AN AGREEMENT WITH THE OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC) IN ORDER TO DISSEMINATE EFFECTIVELY ADEQUATE DATA AND INFORMATION ABOUT INVESTMENT POSSIBILITIES IN EGYPT SO AS TO INCREASE THE INTEREST OF AMERICAN INVESTORS.

IT IS, THEREFORE, THE DESIRE OF THE EGYPTIAN GOVERNMENT TO REACTIVATE OUR FORMER AGREEMENT WITH THE US INVESTMENT INSURANCE AND GUARANTEE PROGRAMMS (SIC) OF OPIC.

OTHER FORMS OF COOPERATION WITH OPIC WOULD ALSO BE WELCOMED. THESE MIGHT INCLUDE OPIC TECHNICAL ASSISTANCE IN PRESENTING TO OVERSEAS INVESTORS A BROCHURE ON INVESTMENT REGULATIONS, AND OPPORTUNITIES IN EGYPT.

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YOUR KIND ASSISTANCE IN THIS REGARD, WILL BE HIGHLY APPRECIATED.

S/ISMAIL FAHMI

MINISTER FOR FOREGIN AFFAIRS UNQUOTE

2. PLEASE INSTRUCT RE APPROPRIATE REPLY. ASSUME DEPARTMENT'S INSTRUCTIONS WILL ALSO COVER REQUEST SUBMITTED REFTEL.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, ECONOMIC GROWTH, FOREIGN POLICY POSITION, FOREIGN INVESTMENTS, INVESTMENT GUARANTEES, INVESTMENT PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: BoyleJA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974CAIRO04657
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740170-1133
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974069/aaaaahpj.tel
Line Count: 116
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION OPIC
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: CAIRO 4378
Review Action: RELEASED, APPROVED
Review Authority: BoyleJA
Review Comment: n/a
Review Content Flags:
Review Date: 13 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13-Aug-2002 by boyleja>; APPROVED <24 MAR 2003 by BoyleJA>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FAHMY LETTER RE INVESTMENT GUARANTEE PROGRAMS
TAGS: EAID, EIND, EG
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005